



AWARENESS DAY 2011

FAST FACTS: EARNED INCOME TAX CREDIT

- EITC is a financial boost for working people hit by hard economic times. Anyone with earnings under \$48,362 from wages, self-employment or farming in 2010, should see if they qualify.
- Four of five eligible people claim and get their EITC. We want to raise that number to five out of five. But workers must file federal income tax returns—even if they are not required to file—and specifically claim the their EITC to get it.
- Many people will qualify for EITC for the first time this year because their income declined, their marital status changed or they added children to their families.
- EITC can make life a little easier. The maximum credit is:
 - \$5,666 for a family with three or more children;
 - \$5,036 for a family with two children;
 - \$3,050 for a family with one child; and
 - \$457 for workers without children.

- The income limits are:
 - \$43,352 (\$48,362 if married filing jointly) for families with three or more children;
 - \$40,363 (\$45,373 if married filing jointly) for families with two children;
 - \$35,535 (\$40,545 if married filing jointly) if there is one child; and
 - \$13,460 (\$18,470 if married filing jointly) if no children.

Investment income must be \$3,100 or less. Children must meet certain relationship and residency requirements.

- EITC is for people who work. It is not welfare; it is a tax benefit they earned. It usually does not affect other government benefits they may receive.
- Workers with limited English skills, rural residents, Native Americans, people with disabilities and nontraditional families, such as a grandparent raising a grandchild, are most likely to overlook this credit.
- Created in 1975, EITC helps offset the impact of Social Security taxes and provides an incentive for work. It is the federal government's largest benefit program for workers.
- More than 60 percent of all tax returns claiming EITC are filed during the month of February.
- The IRS works with over 65 national partners, 370 community-based coalitions and thousands of local partners. These partnerships provide free tax help and education about available tax credits.
- There's lots of free help:
 - The EITC Assistant at www.irs.gov will help taxpayers determine their eligibility.
 - [Volunteer tax assistance](#) sites at more that 1,200 community locations and local IRS Taxpayer Assistance Centers will prepare returns and help workers claim their EITC. They provide free services to people who make approximately \$49,000 a year or less.
 - Free File, available at www.IRS.gov, will let individuals electronically file their returns and claim their EITC using brand name software products.